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ARIZONA CORPORATION COMMISSION

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August 22, 2007

AZ CORP COMMISSION DOCKET CONTROL

Chairman Mike Gleason Commissioner William Mundell Commissioner Jeff Hatch-Miller Commissioner Kristin Mayes

Re:

Reconsideration of Decision No. 68858

Arizona-American Water Company, Paradise Valley Water District

(Docket Nos. W-01303A-05-0405 and W-01303A-05-0910)

Dear Colleagues:

As you know, there has been much concern and consternation expressed to the Commission about Decision No. 68858, which authorized Arizona-American Water Company to collect a "High Block" surcharge to fund fire-flow improvements to its Paradise Valley Water District. Because I was not on the Commission when Decision No. 68858 was rendered, I have felt the need to defer to my colleagues' opinions as to whether the matter should be reheard. However, after having been visited by nearly all of the affected interests in this matter—including representatives of commercial resorts, impacted residents and officials from the water company—I have been assured that a consensus proposal is available that would lessen the hardship created by Decision No. 68858.

Based on this assurance, I agree with Chairman Gleason that the Commission should place the above referenced matter on an open meeting agenda for consideration pursuant to A.R.S. § 40-252.

Sincerely,

Gary Pierce Commissioner

cc:

Brian C. McNeil, Executive Director Ernest Johnson, Utilities Division Christopher Kempley, Chief Counsel Lyn Farmer, Hearing Division Docket Arizona Corporation Commission DOCKETED

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